

Table 1 - Budget Summary

Seattle City Light

Budget Control Level	2008 Actuals	2009 Adopted	% Change '08-'09	2010 Proposed	% Change '09-'10
<b>Expenditures by BCL</b>					
Conservation and Environmental Affairs O&M	\$41,309,000	\$40,591,000	-1.7%	\$45,372,000	11.8%
Power Supply O&M	\$66,395,000	\$58,712,000	-11.6%	\$61,433,000	4.6%
Customer Services O&M	\$25,676,000	\$27,160,000	5.8%	\$26,880,000	-1.0%
Distribution Services O&M	\$65,314,000	\$65,728,000	0.6%	\$61,625,000	-6.2%
Financial Services O&M	\$28,640,000	\$28,274,000	-1.3%	\$28,929,000	2.3%
Human Resources O&M	\$5,960,000	\$6,347,000	6.5%	\$6,544,000	3.1%
Superintendent Office O&M	\$3,631,000	\$3,648,000	0.5%	\$3,123,000	-14.4%
General Expenses O&M	\$63,520,000	\$64,479,000	1.5%	\$66,976,000	3.9%
Purchased Power Budget	\$359,604,000	\$377,602,000	5.0%	\$408,347,000	8.1%
Taxes	\$63,355,000	\$63,616,000	0.4%	\$68,643,000	7.9%
Debt Service	\$135,678,000	\$149,393,000	10.1%	\$150,693,000	0.9%
Energy Delivery CIP	\$114,127,000	\$125,229,000	9.7%	\$110,902,000	-11.4%
Power Supply CIP	\$41,370,000	\$39,684,000	-4.1%	\$46,264,000	16.6%
Financial Services CIP	\$5,265,000	\$5,066,000	-3.8%	\$6,392,000	26.2%
<b>Total</b>	<b>\$1,019,844,000</b>	<b>\$1,055,529,000</b>	<b>3.5%</b>	<b>\$1,092,123,000</b>	<b>3.5%</b>
Total FTEs	1821	1882	3.3%	1828	-2.9%
<b>Revenues</b>					
Retail*	\$547,884,000	\$532,618,000	-2.8%	\$585,238,000	9.9%
Wholesale**	\$256,028,000	\$233,444,000	-8.8%	\$154,431,000	-33.8%
Other Revenue	\$64,728,000	\$74,717,000	15.4%	\$104,324,000	39.6%
Construction Fund	\$151,204,000	\$214,750,000	42.0%	\$248,130,000	15.5%
<b>Total Revenues</b>	<b>\$1,019,844,000</b>	<b>\$1,055,529,000</b>	<b>3.5%</b>	<b>\$1,092,123,000</b>	<b>3.5%</b>

All dollar numbers rounded to the nearest \$1,000

Percentages rounded to the nearest tenth percent

\*Net cash from rates after discounts and revenue from power factor, distribution capacity and green power charges. January 1, 2010 proposed rate increase is 8.8%.

\*\*Net wholesale revenue (sales minus purchases) for 2010 is \$120.0 million.

Table 2

## Seattle City Light

	Funding Change	FTE	General Fund?	Description	BIP #
<i>Baseline</i>					
2010 Endorsed	\$1,089,883,996				
Technical adjustments (i.e. NOT policy choices)	\$4,071,062		No	Includes \$1.7M for environmental cleanup and liability claims, \$276k security contract cost increase, \$795K labor contract settlements, \$4.7M increased taxes and (\$3.4M) decreased debt service.	
<i>2010 Baseline Budget</i>	<i>\$1,093,955,058</i>				
O&M reductions subtotal	<i>(\$23,950,529)</i>				
O&M BIP additions subtotal	<i>\$12,421,403</i>				
CIP additions subtotal	<i>\$9,697,061</i>		See Table 3		
<i>2010 Proposed Budget</i>	<u><i>\$1,092,122,993</i></u>				
<i>Summary of Proposed Changes</i>					
1) Customer Services Reductions	<i>(\$1,455,054)</i>	<i>-11</i>	No	Reduce Account Exec Office impacting customer care for key customers, pool administrative staff, reduce contracting, training, travel, overtime, and supply costs.	175
2) Distribution Reductions	<i>(\$8,195,262)</i>	<i>-13</i>	No	Reduce production scheduling and warehousing programs, pool administrative staff, cut tree trimming, overtime, change crew work assignment, and shift labor to CIP work.	176

	Funding Change	FTE	General Fund?	Description	BIP #
3) Financial Services Reductions	(\$1,576,909)	-11	No	Reduce IT support for existing applications, postpone Office 2007 upgrade, reduce IT operations, applications, security and support. Reduce administrative support, strategic planning, accounting, material control, travel and training.	177
4) Human Resources Reductions	(\$620,858)	-3	No	Reduce funding for EEO investigations and employee performance management program. Reduce staffing for talent acquisition, workforce development and funding for employee recognition, travel and training.	178
5) Superintendent's Office Reductions	(\$324,776)	-3	No	Cut public information program spending and school age conservation program, and reduce internal communications.	179
6) Power Supply Reductions	(\$5,805,210)	-17	No	Reduce maintenance of generating facilities, reduce machine shop, reduce engineering resources and facility support. Reduce travel and contracting.	180
7) Conservation Resources & Env Affairs Reductions	(\$799,103)	-10	No	Scale back 5 Year Conservation Plan (2010 savings = 10.8 aMW vs original 14.5 aMW), reduce training and travel.	181
8) General Expenses, COLA and Furlough Reductions	(\$5,173,357)	0	No	Lower benefit costs from staff reductions and lower City cost allocations. COLA reductions and 10 day furloughs for most employees, except Local 77 and critical staffing.	182-184

	Funding Change	FTE	General Fund?	Description	BIP #
9) Streetlight Group Relamping	\$923,080	1	No	Improve streetlight customer service by implementing a streetlight maintenance program and minimize reliance on spot re-lamping for routine outages.	101
10) Asset Management	\$2,174,753	0	No	Funding to support modifications to the Asset Management Program. This project will implement a new Oracle Work and Asset Management System (WAMS). Modifications include asset registry development, business process improvement and asset condition assessments. Maintenance best practices component was deferred from 2010 to 2011. Contingency removed.	102
11) Reimbursable Pole Attachment Construction	\$1,470,602		No	Funding for "make ready" work required to meet the demand from customers approved to attach communication equipment to City Light poles. This work is reimburseable.	103
12) Self-Build Power Marketing, Risk Management and Settlements	\$640,577	3	No	Provide additional staff with improved tools to manage real-time marketing and operations to maximize revenue and minimize risk. These improvements are needed to meet BPA contract and transmission requirements.	107
13) FERC License Fees	\$3,800,000	0	No	Increase of over 100% in FERC Administrative and Land Use fees. The utility is required by law to pay both fees as a condition of operating our dams.	108

	Funding Change	FTE	General Fund?	Description	BIP #
14) Energy Efficiency Community Block Grant - Home Energy Audit Program	\$1,050,000	1	No	Provide funding for 5,000 home energy audits in 2010 in partnership with Puget Sound Energy. This program creates green jobs and improves conservation.	109
15) Energy Delivery Feeder Maintenance Program	\$1,500,000	0	No	Increase funding for the Feeder Maintenance Recovery plan to achieve a 4-year feeder maintenance cycle for the downtown core of the city.	104
16) Crane Safety Program	\$622,101	1	No	Provide staffing and funding to implement a crane safety program required by a new State law. The new law requires inspections, load testing maintenance and operations, training and certification for all crane operators.	106
17) Fleet Management and NERC Transmission and Distribution Planning	\$240,290	2	No	Provide staffing to manage and coordinate City Light's 900 vehicle fleet and the implementation of a motor pool system. Provide staffing to comply with requirements from the North American Reliability Corporation (NERC) for transmission and distribution system planning.	110 & 113
18) CIP Changes Described in Table 3	\$9,697,061	1	No	Described in Table 3	
<b>Total Proposed Changes</b>	<b>(\$1,832,065)</b>	<b>-59</b>			
<b>2010 Proposed Budget</b>	<b>\$1,092,122,993</b>				

Table 3: Significant Changes to Capital Improvement Program

Seattle City Light

Project Title	Changes to 2010 Appropriations	Total Project Cost	Description / Explanation
<i>Significant New Projects</i>			
1 Neighborhood Cable Injection Program (BIP 501)	5,161,756	5,174,463	This new program will use cable injection to avoid the need to completely replace Underground Residential District distribution lines, with substantial savings. Will cover a long list of neighborhoods throughout the City. Replaces five previous projects, which are no longer needed. BIP addition of \$2.7M and move of existing CIP funding from projects being replaced.
2 LED Streetlight Conversion Program (BIP 504)	943,079	25,730,942	This project will install LED streetlights. Federal grant funding is already available. When complete, the program will replace all residential streetlights.
3 Mercer Corridor West Phase Relocations	636,438	12,806,737	This project relocates transmission and distribution facilities as part of replacing the Alaskan Way Viaduct and improving traffic flow between Elliott Ave West and Interstate 5. Work extends and is complementary to east phase of Mercer.
4 SeaTac Undergrounding (BIP 506)	1,192,975	1,192,975	This project was requested by the City of SeaTac and provides funding for undergrounding through recovery of the costs in City Light rates. BIP addition of \$4.1 Million for this project and other franchise underground projects. Work will take place along South 154th Street between 24th Avenue South & 32nd Avenue South.
5 Energy Trading and Risk Management (ETRM) System (BIP 107)	1,528,547	1,528,547	Initial funding for development of software and hardware to provide risk management for energy trading. Only the first year's funding was approved.
<i>Projects Canceled or Deferred</i>			
6 North Downtown Substation Development and Transmission Lines	-1,988,813	47,672,186	Design and construction of North Downtown Substation and Transmission lines canceled until clear need for substation and transmission is provided. Remediation of recently purchased land will continue using existing appropriations. Costs are for land purchase and remediation.

Project Title	Changes to 2010 Appropriations	Total Project Cost	Description / Explanation
7 North Downtown Network and Services	-5,423,182	0	Design and construction of North Downtown network canceled because of lack of support from client base for rate increases to fund work.
<b><i>Funding/Scope Changes for Existing Projects</i></b>			<b>Changes</b>
8 Boundary Powerhouse - Unit 55 Generator Rebuild	13,587,176	15,487,739	This project is for Generator Unit 55, which has been accelerated to start in 2010 by letting a contract for the rebuild. Rebuild is scheduled for 2012 to 2013. Assessments of the condition of the generators have lead to rescheduling this Unit before Unit 56 (which will be rebuilt in 2013-2014).
9 Boundary Powerhouse - Unit 56 Generator Rebuild	-7,105,203	15,035,069	This project has been deferred to allow the rebuild of Unit 55. The cost of the generator rebuilds for Units 55 and 56 are higher than previous rebuilds because the units are larger, costs of steel and other material have escalated, work to reduce vibration has been added, and studies have identified additional efficiency improvements.
10 Burien Undergrounding - Phase 2	1,981,367	3,954,455	This project was requested by the City of Burien and provides funding for undergrounding through recovery of the costs in City Light rates. BIP addition of \$4.1 Million for this project and other franchise underground projects.
11 Alaskan Way Viaduct and Seawall Replacement - Utility Relocations	-1,100,952	180,820,965	Provides utility relocations associated with replacement of Alaskan Way Viaduct with a bored tunnel. Funding in the 2009 CIP included only design support.
12 Mercer Corridor Relocations	-629,550	17,731,058	Continued support for transportation relocations and undergrounding in support of redevelopment of Mercer Corridor. Costs are now shared in line with proposed new Undergrounding Policy.
13 Outage Management System Configuration and Implementation (BIP 503)	2,447,151	7,755,008	Increase to provide additional development environments, add business intelligence and middleware components, and additional quality assurance support. BIP addition of 1.8M and move of existing SCL labor moved to the project.